



**ROYCE T. FLORA**  
**Maricopa County Treasurer**  
**Annual Report FY 2020**





## Maricopa County Treasurer's Office

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Royce T. Flora  
Treasurer

**Let me start by thanking you, the taxpayer, for allowing me to serve you these past several years.**

**The American Dream has been from the founding days of this Republic: Life, Liberty and Property.** I have always been committed to the taxpayers of Maricopa County to do all I can to make sure taxes are low and affordable. I am extremely concerned about the American Dream being lost as a result of rising property taxes. One of my goals working with the legislature is to move low income seniors from a Class 3 to a Class 6. The Arizona legislature failed to pass the legislation 4 years in a row, in part due to Arizona Tax Research Association's (ATRA's) opposition as they continue to push for lower commercial property taxes and oppose lower residential taxes. By moving low income seniors to Class 6 this would lower their primary taxes by 50% and provide a Constitutional solution for this small group of seniors. As a result, according to the Joint Legislative Budget Committee the state general fund would actually benefit by \$2.7 Million each year. It's A WIN, WIN, WIN Deal.

I have been committed to doing all I can to keep all homeowners in their homes and reduce the tax burden on them. I have worked on policy to protect property rights, including a bill to prevent equity theft of one's home when government forecloses on one's home, making sure the equity (their life savings) goes back to the homeowner and is not kept by government. Another effort was a Citizens Initiative called the American Dream Act AZ that would eliminate primary property tax for the 65 and older elderly, to ensure they actually own their home without fear of foreclosure from delinquent taxes. Senior citizens pay taxes all of their life, it seems only reasonable that after 65 they can actually own their home by eliminating ALL primary taxes on their personal home.

This year I respectfully and urgently requested that the Governor of the great State of Arizona and our legislature, help taxpayers during these difficult times by calling a Special Session of the State Legislature in order to address tax issues, including at no cost extending the deadline to pay the second half of 2019 property taxes to at least June 1, 2020. The sad and disappointing thing is people are dying, businesses shutting down, wages lost, families straining to put food on their table and yet we couldn't get a Special Session to offer a little relief to our citizens during this critical time.

Last year I saw an injustice that was happening to Mr. James Boerner, a disabled veteran whose home was illegally put up for auction, over a \$221 delinquent tax. He tried to pay the delinquent tax. Mr. Boerner had until June 30<sup>th</sup> to pay; the Sheriff sold his home June 20<sup>th</sup>. The Sheriff illegally seized Mr. Boerner's \$36,000 home for a \$221 delinquent tax, putting Mr. Boerner in jeopardy of being homeless. If government was unwilling to correct it, I was. After a hard-fought legal battle, Mr. Boerner had his home restored to him. Even if I had to pay the predator's asking price of \$24,000 out of my personal savings, Mr. Boerner was going to get his home back.

### **Investment Earnings Remain Strong**

Since taking office in January of 2017 the Treasurer's Office has increased the earnings from our Portfolio Investments from \$18 Million to just under \$100 Million in earnings thus benefiting the schools and the county by tens of millions of dollars. This year, despite the economic and social devastation of the COVID-19 virus, the Treasurer's investment

earnings still topped \$90 Million. This enabled the Treasurer's Office to start a program which assisted Maricopa County school districts with the refinancing of their debt. This initiative saved numerous school districts significant monies by reducing their debt service costs. Our Office continues to do an excellent job of managing the taxpayers' money.

**Get Updates Online, Pay Online, Go Paperless**

One of my strategic plans is providing the taxpayers a method to pay property taxes both safely and conveniently, especially while we navigate through the COVID-19 pandemic. As such, we have made considerable changes to our Treasurer Online Payment Program (TOPP) to allow taxpayers to pay not only current taxes but submit payments on both delinquent tax years and years with tax liens. Skip the trip downtown and pay online.

**eNoticesOnline.com** takes the hassle out of remembering when your taxes are due. Our Office has joined hands with the Assessor's Office to provide a one-stop solution to view all your tax bills, information, and notices. Please see the enclosed **eNotices** flyer for instructions.

**Prefer to Pay in Person? Pay Your Property Tax at any Full-Service Arizona Chase Bank**

The Maricopa County Treasurer has partnered with Chase Bank to make paying your taxes more convenient. Bring your payment coupon to any full-service Arizona Chase Bank, even if you don't bank with Chase, and pay your property taxes there.

Sincerely,

A handwritten signature in cursive script that reads "Royce T. Flora".

Royce T. Flora



Maricopa County Treasurer's Office

**Russell K. Pearce**  
**Chief Deputy Treasurer**

Dear taxpayer, I have never worked for a more dedicated public servant than Treasurer Royce T. Flora. The Treasurer's Office is a Constitutional Office that is directly responsible to you the people of Maricopa County. Treasurer Royce T. Flora has put together a solid pro taxpayer team and has provided the leadership and vision to move this Office forward like no other Treasurer. However, we do appreciate and recognize that a good relationship with the Board of Supervisors and the legislature allows us to do a better job. Through good legislation and good policy this Office has saved hundreds of homes from foreclosure, protected the elderly and created a distinction on mobile homes from personal business property tax so they are not treated like a toaster but as someone's home.

I want to be clear that it is because of this Office's strong leadership team under the direction of Treasurer Royce T. Flora's vision, support and encouragement that our focus is clear on efficient and effective government. This Constitutional Office has a critical role in how taxpayers are treated and informed. This Office has saved the county millions of dollars and generated additional millions of dollars through initiatives sponsored by the Treasurer.

Treasurer Flora has been a loud voice for those values our nation was built upon, Life, Liberty and Property (ownership). Treasurer Flora has worked tirelessly since elected to the Office of Maricopa County Treasurer to protect property rights, lower taxes, to protect one's "home" and keep folks in their homes and do all he can to protect them from the heavy burden of taxation.

A recent example; last year, a permanently disabled veteran whose home was sold at auction by the Sheriff two weeks before the deadline for the disabled vet to pay his delinquent taxes of \$221. The Vet tried to pay, yet his \$36,000 home was sold by the Sheriff before his statutory time to pay was expired. As a result, he was at risk of being homeless because of the Sheriff's aggressive illegal sell of his home. Treasurer Flora went to bat to reverse the Sheriff's illegal sale (it was sold in error) to keep the veteran in his home. After an intense battle, the vet was not evicted, and justice was eventually served. Had Treasurer Flora failed, the vet would have been wrongfully evicted. The buyer was demanding \$25,000 to not foreclose. Treasurer Flora offered to pay the entire \$25,000 out of his own personal retirement savings to keep the vet in his home, if need be. That was not a fake offer—it was real and sincere.

Treasurer Flora has worked with the legislature since his election to reduce taxes, including the primary tax on low income seniors' homes from a Class 3 to a Class 6 that would cut their primary tax by 50% as the tax burden continues to outpace their fixed income and puts them at risk. In addition, it was a huge benefit to that state. As it would generate an additional \$3 million for the state general fund as the state aid subsidy goes away. This is a win, win scenario.

The Maricopa County Treasurer's Office has aggressively pursued a paperless initiative with the goal of reducing the cost of mailings and saving the taxpayer time and money, while simultaneously providing improved service to Maricopa County taxpayers with easy, cost-effective and convenient services. As the paperless initiative continues to gain momentum, in conjunction with a newly designed tax bill, eNotices and targeted emails emphasizes electronic payments this is vital to the Treasurer's Office increase in electronic and paperless services including payment processing.

Because of last year's Senate Bill 1033, in 2019 there was an additional \$230,000 unfunded mandate by the legislature to send out tax bills to all mortgage holders, regardless of whether they want it or not. And now this year, SB1113 signed by the governor, expanded the size of the printed piece with NO OPT OUT provision to allow those who prefer to get their information online and not in the mail. This added an additional cost of about \$225,000 for 2020 and beyond. This adds a total of over \$450,000 each year to our mailing budget despite all our hard work to reduce the mail budget which we had reduced by over \$300,000.

It is shocking that the County Board of Supervisors supported that unfunded mandate without the opt out provision and never spoke to this Office regarding the impact and the fact it was an unfunded mandate. Apparently, the BOS is willing to fund the additional mailing cost even though it was not necessary.

Since FY2016 notice to taxpayers regarding the implementation of the paperless initiative, the Treasurer's Office has experienced a reduction in mailings as YOY of an average of 30% and a huge increase in monies collected via electronic means through the Treasurer's website.

Additionally, the Corporate Services System (CSS), designed to assist taxpayers, business entities, and mortgage companies submitting payments for multiple parcels (bulk), for the first time has eclipsed the 50% collected mark of the Property Tax Levy. This increase is the result of Arizona Statute, §42-18051 (E), along with actively pursuing entities submitting payments in bulk.

We recently reorganized our Technical Services Division and put in place new leadership with the required skill sets needed for this Office and our new systems as we move into this new ULTIS upgrade. This puts a great strain on the ULTIS team and this Office, which continues to perform to meet the challenges.

In our Tax Services Division, we are about to lose three top managers with many years of experience (over 70 years) due to retirement. We have reorganized the upgraded positions to meet this challenge. These folks are critical and handle extremely difficult tax research requests as well as many other duties.

As the fourth largest county in the nation, with only about half of the staff of similar county Treasurers, and as the fastest growing county we must quickly hire those with the right skill sets as our staff is stretched extremely thin which puts a great challenge of meeting critical issues that face this Office and our Constitutional duties and statutory responsibilities.

At times it feels like this daily effort to keep costs low and service high goes unnoticed and unappreciated.

Here are some of the critical issues going on right now, in addition to the normal workload of delivering to the taxpayers coupled with the tremendous growth of this county.

- This Office acquired a new beautiful long bed Ford P/U with a lift gate. Recognizing its underutilization, we gave it to the county to be given to an agency that truly needed it. We took an older miled out 2012 Ford Expedition.
- In keeping costs down and with our small staff we are cross training employees so that no one is a single point of failure.
- WARP (website) and CGI project that must interface with the new system.
- Implementation of the new tax lien sale vendor.
- Legacy system hardware refresh
- Operating system version upgrade a "Mature Product Support without Sustaining Engineering"
- We were able to bring in the first phase of ULTIS project (Sympro and Dynamics) **ahead of time and under budget.**
- General system maintenance and upkeep on an old and fragile system in addition to the new Dynamics and Sympro system bugs and integration still going on.
- Oracle RDB maintenance for our property tax database.

- Tax research requests have doubled in the past couple of years.
- Again, mail costs have gone up and additional unfunded legislative mandates have added huge costs to our mailing budget, which has undone much of our effort in reducing costs as we push to increase our paperless and online services

The Treasurer works hard to make Maricopa County Treasurer's Office the very best in the nation in delivery of services to 1.8 million property owners and the 1700 taxing jurisdictions (and growing) and providing stewardship to a \$5 billion plus levy, a \$6 billion portfolio with \$12 billion we handle each year and the investments Portfolio of over \$6 billion with increased earnings of over 600%. This means millions of additional dollars to the county and the schools. We have a huge increase in tax research requests, a huge influx of new residents and, of course, over 400 statutory duties. This Office continues its efforts to deliver better, faster, cheaper service to all our taxpayers in the county.

As the fastest growing county in the nation, you clearly understand the challenge of re-engineering and bringing on new technology to protect Maricopa County and its citizens with sound investment policies and a secure approach to protecting those dollars we are entrusted with.

We are at a critical time in the process of updating our 25-year-old financial and tax automation system. Ten years ago, the audit suggested replacement of an old legacy system that was fragile and outdated. This office has managed to keep that system operating for an additional 10 years. This effort with such a small staff has put a great strain on this office.

This is just a reminder of the ROI to the county as a result of strong leadership and stewardship of this Office in protecting those dollars of our taxpayers and meeting all statutory duties. Here are just a few results of the Treasurer Royce T. Flora's commitment, leadership, efforts and efficiency to those we serve, including working with the Board to serve the taxpayers. This county has never had a Treasurer do so much with so little.

Speaking of efficiencies and challenges and strong leadership, let me go through some issues that sometimes get lost in all the busy, challenging day-to-day operations in the Treasurer's Office.

For starters, as a reminder, in 2016, at a time when we had the ability to step up and help the county with a fund that was growing faster than was need to meet the statutory requirements, we wrote a check to the Board for \$7 million to offset the Governor's new mandate requiring the counties to pay for juvenile incarcerations.

1. Through the Treasurer's initiative we discovered and recovered several million dollars in unclaimed property from various states (cash) with more in the pipeline.
2. Introduction of eNotices for enhanced notices with our new vendor – enabled us to reduce thousands of mailings to subscribers.
3. We also merged Treasurer eNotice subscribers with Assessor eNotice subscribers to utilize an expanded list of subscribers.
4. Termination of mailing mortgage company tax bills, instead presenting mortgage company tax bills on CSS website
5. Implementation of Intelligent Mail Barcoding - enables us to electronically track mailing returns rather than receiving and physically scanning hardcopy returns.
6. With increased tracking of return mail, we've stopped mailing to addresses that have had three years of successive returns.
7. Also working with our vendor and the postal service we prevented the return of thousands of mail pieces through a series of address improvements.
8. Termination of information statement postcards (saving \$130,000 annually).
9. We delivered millions of dollars from the state land sale that we conduct did not ask for reimbursement as the law allows. Over \$73,000 in 2018 alone; expenses to conduct that sale that this Office absorbed.

10. By our increased effort, strategy and new Portfolio Manager we increased Treasurer's portfolio earnings by 660%, generating more revenue than the previous three year's combined, amounting to \$100 million in 2019.
11. Saved the county over \$2 million in negotiating hard-fought issues while delivering the first phase of our ULTIS project on time.
12. The Treasure's new Portfolio Manager intercepted and thwarted an extremely clever fraudulent attempt to divert a million dollars fraud through a sophisticated scheme to move those dollars to a bank we do business with. Due to our Portfolio Manager's vigilance and ability, bad guy was caught, and the scheme thwarted and now the bad guy is being investigated.
13. Also, our new Portfolio manager with direction from the Treasurer, was able to increase portfolio earnings from an average of \$15 million to about \$100 million annual earnings; thus, providing millions of additional dollars to the schools and the Maricopa County general fund.
14. Pursuant to ARS §42-19118 the Maricopa County Treasurer submitted to the Maricopa County Board of Supervisors a Certificate of Clearance citing satisfaction of the requirements under the statute for purposes of clearing uncollectible taxes. For the very first time over 7,500 mobile homes that the Sheriff's Office could not locate and have been uncollectable for years have been taken off the rolls. This helps true up the county's tax levy, saves hundreds of hours of searching mobile homes that simply are not there anymore, increases revenue, and reduces cost.
15. This Office augments the STAR Center and Elections on a regular basis at peak activity times to avoid additional cost to hire additional contract help during extreme peak times in workload.
16. Due to Treasurer's passion for property rights and keeping folks in their homes, this Office has saved from foreclosure 108 mobile homes since June 2019 that the Sheriff had scheduled for auction.

As mentioned earlier, Treasurer Flora is dedicated to creating an environment conducive to creativity and productivity and high morale as we improve customer service and save the taxpayer time and money.

Having said all of this, let me repeat; we continue to function with the limited resources we have and provide the protection and service the taxpayer deserves. We are functioning with fewer FTEs than we had 10 years ago despite our huge growth and managing one of the largest IT projects ever taken on by the county.

These are critical times and the need for keeping qualified and competent employees and finding the right persons, replacing critical employees and getting them on board quickly is imperative and challenging in addition to the already challenged staffed Office. There are those who clearly do not understand the skill level, workload, demand on our staff, and difficult work our Office requires, as others try to micromanage the elected Treasurer.

Now, more of those hard working and dedicated employees, who have been at the Treasurer's Office for 25 years or so dealing with complex property tax issues, are getting ready to retire. The talent we are losing cannot easily be replaced. New folks will deal with this case load, but it will take these new employees extended time to fill those shoes because of the in-depth knowledge that takes years to acquire. Through training and reorganization, we will meet those challenges. To be clear, we are not hiring Walmart greeters. These are talented and technically qualified employees.

We have done so much, with so little, for so long, but because of dedicated leadership, and hardworking employees, we have survived the many challenges.

Again, being the fastest growing county in the entire nation (and second place is not even close) brings many challenges to this county. As the fourth largest county Treasurer's Office in the nation we do our work with less than 60 FTEs. For example, Riverside, California, and Cook County, Illinois, both smaller counties, have twice the employees. We intend to be better, faster, and cheaper than our peers, and have proven that. We cannot ignore the increased workload, the technical challenges, the new laws and the turnover in this Office without putting the county at risk.

We have a need for new skill sets and that puts added pressure on this Office to hire the right people and additional training of current staff. Currently we are meeting that challenge because of strong leadership and competent staff.

Good news, bad news; due to the great economy and virtually full employment that came about due to the 2016 federal election, the challenge of recruiting the quality employees we need has been made more difficult. Thanks to the 2016 federal election and the election of Treasurer Flora we have met that challenge.

We hope the next incoming Treasurer will have that same commitment to the taxpayers of Maricopa County.

Respectfully,

*Russell Pearce, Constitutionalist, former President of the Arizona State Senate, Veteran, Deputy Sheriff 23 years, Chief Deputy Maricopa County Sheriff's Office, Judge, recipient of the Medal of Valor, Director of Governor's Office of Highway Safety, Director of Motor Vehicle Division, 1st Vice Chair of the Arizona GOP, President national BanAmnestyNOW and currently Chief Deputy Maricopa County Treasurer's Office*



## **Treasurer's Office Accomplishments**

The Maricopa County Treasurer's Office has achieved many accomplishments over the last four years under the leadership of Treasurer Royce T. Flora, and Chief Deputy Treasurer Russell K. Pearce. Each division within the Treasurer's Office, has continued to look for ways to implement new, efficient and cost reducing functions for this office. The following list, by Division, provides excellent examples of these accomplishments.

### **Client Services**

Client Services has spent the last four years looking for new and efficient ways to conduct business and provide taxpayers with payment options to meet all property tax payment scenarios.

- Treasurer Online Payment Project (TOPPS) now allows Maricopa County taxpayers the option to submit electronic payments via Credit Card and/or E-check for current year tax accounts, delinquent tax accounts and tax accounts containing a tax lien. With shopping cart functionality, Maricopa County taxpayers are now able to pay multiple parcels and tax years all within the same transaction.
- The implementation of OnBase document technology provides Client Services the ability to scan important taxpayer documents related to payments at the time a payment is applied. This removes the need to warehouse paperwork and provides other Treasurer Office divisions quicker access to documents for research related items.
- Desk Manuals were created for all Client Services staff detailing step by step policies and procedures for job functions to ensure adequate coverage in the event of a reduced staff.
- In conjunction with the creation of desk manuals, Client Services has also spent a considerable amount of time cross training all staff members to be proficient in other job duties within the division.

### **Financial Services**

Financial Services has spent a great deal of the last four years designing and implementing a new accounting system. Although it is not perfect, there are several functions that have been an improvement from prior processes. Those functions are as follows:

- Allows agencies to submit revenue and Journal entry files
- System automatically matches revenue files with deposits and posts the revenue entries
- System determines the need for Tax Anticipation Monies and post the transactions automatically
- System can report all taxing districts by parent City or Town

The Treasurer's office has also facilitated the issuance of small bonds by purchasing the issues and avoiding issuance costs and provide a lower interest rate for the taxpayers

The Treasurers' Office has purchased registered warrants to prevent the financial hardship that would occur if the employees had their payroll warrants returned as unpaid until the District received the monies to fund the payment.

### **Tax Services**

Tax Services milestones

- Mobile Home project, reaching out to taxpayers on the verge of losing homes, setting up payment agreements.
- Introducing legislation such as the Mobile Home Anti – Predatory Bill
- Interagency collaboration to establishing better communication, guidelines for MH/ CPP (Sheriff / Treasurer)
- The ongoing collection of monies of “unclaimed monies” from other states.

- Research letters were replaced with emails. Email addresses were requested from taxpayers that reach out to us.
- Redemptions are now done online.
- Access to ADOT MVD website to confirm Mobile Home VIN numbers and enter Clearance Letters for those with paid tax liens.
- The Office has resolved tax collections over the past four years conducting delinquent tax sales and foreclosures and subsequent sale at tax auctions. We have also authorized MCSO to seize and sell properties subject to unsecured taxes at auctions.
- We have identified millions in uncollectible taxes that are stale and never will be collected and presented them for abatement to clear the tax records and update the levy amounts.
- We have had success in modifying and changing some part of the state statutes regarding redemption approvals, CP expirations and accepting partial payments on delinquent taxes.
- Extension of the due dates for the past due commercial properties from May to August 3<sup>rd</sup>, 2020 to assist during the Pandemic.

### **Administrative Services**

Administrative Services has spent the last four years looking for innovative ways to improve office functions and saving to the Maricopa County Treasurer's Office.

- Reducing cost of record storage by eliminating over 2,000 boxes at Iron Mountain, saving the office over \$7,500 annually
- Working with Arizona State Library of Archives, to create a new process for records and retention to update our records retention policy
- NCOA checking of mailing address's through our print vendor to significantly reduce that amount of mail that was mailed out to incorrect address resulting in a 75% reduction in returned mail resulting in annual savings of \$21,000 in staff time to process returned mail and a savings of \$40,000-\$50,000 annually in printing/ mailing cost
- The Maricopa County Treasurer's Office has aggressively pursued a paperless initiative with the goal of reducing the cost of government while simultaneously providing improved service to Maricopa County taxpayers with easy, cost- effective and convenient services. As the paperless initiative continues to gain momentum, in conjunction with a newly designed tax bill, eNotices and targeted emails emphasizing electronic payments
- The Treasurer's major mailing processes (tax bills and delinquent notices) were modified to implement the USPS Intelligent Mail Barcode resulting in significant cost savings for each of these. Treasurer's Office used USPS Intelligent Mail Barcode process to track returned mail electronically in place of thousands of mail pieces physically being returned to the office.
- The USPS Intelligent Mail Barcode initiative has been nominated for a prestigious Summit Award by the Arizona Association of Counties (AACO). Briefly, the Treasurer's Office is receiving recognition for converting a manual mailing process and replacing it with automated digital barcodes saving the County \$20,000 a year in staff time. In addition to the monetary savings, mail is now tracked in real time electronically whereas before there would be a two-month lag in the tracking information.
- The implementation of the above measures to our mailing and printing of tax bills saves the Treasurer's office approximately \$300,000 per year compared to how the tax statements were processed previously.
- Worked with mail/print vendor to enhance and make the tax bills more transparent and taxpayer friendly.
- Replaced many individual printers with printer Hubs to reduce both the cost of toner, new individual printers and maintenance of the printers.
- Implemented Treasurer customer support email so taxpayers can email directly to dedicated staff members to answer questions and resolve issues that they may have with property tax questions.
- Administrative staff have been CAPA certified, to find efficient cost, to products in support of office functions.
- Tracking supplies inventory to eliminate waste.

## Information Services

Information Services has delivered many key accomplishments over the past four years that have contributed to meeting our strategic goals while also supporting the needs of our current business operations. A brief highlight of those accomplishments are listed below.

- **USPS Intelligent Mail Barcode** – The Treasurer’s major mailing processes (tax bills and delinquent notices) were modified to implement the USPS Intelligent Mail Barcode resulting in significant cost savings for each of these. This work included the updating of several of the computer applications that support the tax bill and delinquent notice processing. Details concerning this effort are described later in this Annual Report.
- **Proposition 117** – Proposition 117 was a voter approved initiative passed in the 2012 general election (A.R.S. § 42-13301). It limits the increase of the Limited Property Value to 5% per year which is the sole value used to calculate primary and secondary taxes. The Treasurer’s computer system applications and portions of tax billing process needed to undergo modifications to support the changes brought about by this measure. These changes were applied by the Treasurer’s Information Technology staff and were implemented as part of the 2015 property tax bills in September 2015.
- **Senate Bill 1135** – This legislation was passed in 2015 in the 1st Regular Session of the 52nd Legislature and resulted in changes to six different Arizona Revised Statutes pertaining to tax liens. The affected statutes are A.R.S. § 42-18056, 42-18121, 42-18152, 42-18154, 42-18201, and 42-18202. In summary, the legislation required Maricopa County to make some changes related to how partial payments on delinquent taxes and outstanding tax liens are accepted. The specifics of the legislation can be found here: <http://www.azleg.state.az.us/legtext/44leg/2r/bills/sb1135s.pdf>. Treasurer computer applications and websites were modified to comply with these changes.
- **LCV Penalty Appeals Management** – Treasurer computer applications were also changed to implement changes pursuant to A.R.S. § 42-12052. This entailed the imposing of a civil penalty as described in the statute pertaining to the property’s legal classification. As part of this effort, an application was written to support the appeals processing that resulted from the imposition of these penalties. This new application enabled the Clerk of the Board to manage the appeals and communicate the disposition of each appeal request to the Treasurer’s Office in an efficient and streamlined fashion.

## Successfully deployed TOPP phase 1 and 2

- **Treasurer Web Application On-Line Payment Project Phase I** – Treasurer On-Line Payments Phase I was released in early June 2019. This new functionality provides our taxpayers with a variety of payment options. This new functionality includes on-line shopping cart functionality, the ability to make partial payments, back tax payments, provides multiple payment options (first half, full, minimum and other), detailed receipts and supporting automated emails.
- **Treasurer Web Application On-Line Payment Project Phase II** – Was released in December 2019 and provided completely new functionality for the payment of tax lien redemptions and the utilization of existing impounds along with the online payments towards tax and redemption payments. This new functionality complimented the June 2019 Phase I release, providing new functionality for our taxpayers with a variety of payment options. This functionality included on-line shopping cart functionality, the ability to make partial payments,

back tax payments, providing multiple payment options (first half, full, minimum and other), detailed receipts and supporting automated emails. In fiscal year 2020, there were 184,074 payments made through these new on-line services, totaling \$479,556,369.49.

#### **ULTIS Maricopa County Treasurer's Information System Upgrade**

- Phase I deployed early (Accounting, Investment Management, Debt Management).
- The new website (eGOV) 27 services and Data warehouse are on time and budget.
- Input from external partners such as mortgage companies, lease companies, title companies, etc. was obtained to ensure the eGov services and features being built will provide improve services and efficiencies.
- Website demonstrations were held with our Property Tax and Corporate Services subject matter experts to ensure the features being delivered meet business expectations.
- The data warehouse interface with the Assessor's Office has been released into production and the interface with the legacy Property Tax system is on track to deploy CY2020.
- Electronic Document Management (OnBase) went live for the Cashiers.
- The collection, inventory, and assessment of Tax Services, Client Services and Administrative Services documents have been completed. In addition, the project team completed development of the Treasurer's Office business process flows, current state and future state, development of all use cases, input and output inventory.

## Table of Contents

<b>Section One – Collection</b>	<b>Page 1</b>
<ul style="list-style-type: none"><li>• Allocation of Property Tax Levy</li><li>• Property Tax Collections by Category</li></ul>	
<b>Section Two – Investment</b>	<b>Page 2-3</b>
<ul style="list-style-type: none"><li>• Monthly Expenditures Total</li><li>• Investment Portfolio Distribution</li><li>• Interest Earnings Distribution</li><li>• Investment Earnings History</li></ul>	
<b>Section Three – Receipts and Disbursements</b>	<b>Page 4</b>
<ul style="list-style-type: none"><li>• Disbursement Types</li><li>• Elderly Assistance Fund Distribution</li><li>• Bank Line of Credit Usage by Schools</li><li>• Debt Service Payments by Schools</li><li>• Taxpayer Information Fund</li></ul>	
<b>Section Four – Taxpayer Services</b>	<b>Page 5-7</b>
<ul style="list-style-type: none"><li>• Star Center Treasurer’s Calls by Month</li><li>• Research Request History, Tax Lien Sale History</li><li>• Mailing Activity</li><li>• Treasurer Foreclosures</li></ul>	
<b>Section Five - Information Technology</b>	<b>Page 8-9</b>
<b>Section Six – Personnel</b>	<b>Page 9</b>
<b>Section Seven – Budget</b>	<b>Page 10</b>
<b>Section Eight - Organizational Chart</b>	<b>Page 11</b>
<b>Section Nine – MCTO Project ULTIS</b>	<b>Page 12-13</b>

## Introduction

The purpose of the Annual Report is to update the public on the services the Maricopa County Treasurer’s Office provides to property owners and other interested parties. The Maricopa County Treasurer’s Office is the fourth largest county Treasurer’s Office in the nation. The report lists several core activities and provides historical and current data to give the public insight into the operations and performance of the Treasurer’s statutory duties. The Maricopa County Treasurer’s Office is responsible for over \$12 Billion annually; we serve over 1,700 taxing jurisdictions including school districts. This Office will continue to provide fiscally responsible policies that serve the Maricopa County taxpayers and protect their hard-earned dollars.

## Section One - Collections

Property owners may choose to pay their taxes in five ways: 1) as part of their mortgage, 2) by mail, 3) any full-service Arizona Chase bank, 4) online through the Treasurer’s website or their personal bank website, or 5) in person at the Treasurer’s Office.

**Figure 1.1 ALLOCATION OF PROPERTY TAX LEVY**

	Total	Percent of Levy	Amount
County (Operations, Flood, Library)	1	13.23%	\$700,013,306
Cities	25	11.57%	612,198,733
Fire Districts	20	1.33%	70,144,647
Irrigation, County, Municipal	156	1.35%	71,483,161
Health, Water & Special	18	4.39%	232,467,067
Schools	57	57.05%	3,019,716,485
Community Colleges	1	10.84%	573,821,871
Street Lighting	1514	.25%	13,046,196
<b>Totals</b>	<b>1792</b>	<b>100.00%</b>	<b>\$5,292,891,466</b>

## PROPERTY TAX COLLECTIONS BY CATEGORY

CATEGORY	DOLLARS COLLECTED			NUMBER OF TRANSACTIONS		
	2020	2019	% CHANGE	2020	2019	% CHANGE
Bulk Payments*	\$2,436,508,514	\$2,404,322,306	1.34%	1,659,044	1,685,572	-1.57%
By Mail	\$1,239,398,328	\$1,195,681,546	3.66%	508,532	506,936	0.31%
In Office	\$195,315,819	\$218,274,307	-10.52%	67,653	75,453	-10.34%
Bank Branch**	\$ 227,482,079	\$225,977,102	0.67%	135,208	136,454	-0.91%
Online Echeck	\$621,028,074	\$498,280,329	24.63%	229,992	210,453	9.28%
Online Bank	\$106,618,133	\$102,959,669	3.55%	79,697	80,817	-1.39%
Online Card	\$122,042,264	\$97,989,168	24.55%	104,040	81,578	27.53%
Total***	\$4,948,393,210	\$4,743,486,446	4.32%	2,784,166	2,779,282	0.18%

\*Payments made by financial institutions, tax services companies, mortgage companies, and multiple property owners.

\*Messaging and design changes on tax bill highlighting Bank Branch payments led to a 50.93% transaction increase since 2017.

\*Includes prior year tax payments, fees, and late payment interest.

## Section Two - Investments

### **ALL INVESTMENTS RESTRICTED PURSUANT TO ARS § 35-323**

The County Treasurer is charged by law to collect, invest and disburse taxpayer funds. The County Treasurer's investment management goals are having enough funds available to meet short-term financial obligations of county agencies and school districts and invest pool participants' excess funds for future liquidity needs while maximizing earnings. Short-term financial obligations include warrants, which are physical checks with the characteristics described in Arizona Revised Statute 11-645 and Tax Anticipation Notes (TANS). The portfolio contains eligible securities authorized under state statute which emphasize safety over risk while earning a rate of return that increases the value of the pooled participants' funds. The investment results have demonstrated these conservative values over the years and still meet day-to-day operating liabilities even in this low interest rate environment.

Figure 2.1 **MONTHLY EXPENDITURES TOTAL**

The Treasurer's internal investment policy caps maturities at five (5) years without the approval of the Treasurer's Advisory Board. Portfolio securities are held to maturity unless cash is required to cover daily expenditures of the County or school districts. Sold securities must result in an overall earnings net gain preserving safety of principal. FY2020's average monthly portfolio balance was \$5.37 Billion with 1.89% total return.

The County Treasurer's Office continued purchasing school districts' Tax Anticipation Notes (TANS) and school district Improvement and Refunding bonds (I&R bonds). I&R bonds were purchased as private-placement investment options for the Treasurer's portfolio this fiscal year. TANS are one-year notes issued every July; I&R bonds are in one to five-year timeframes.

Both these financing programs provide school districts favorable interest rates and lower bond issuance costs compared to public bond offerings and saved the school districts bank lending fees for the TANS financing program this fiscal year. These investments earn a spread to Treasury notes beating prevailing market rates. The portfolio's interest income for both school district financing programs exceeded \$55.7 Million.

Figure 2.2 **INVESTMENTS PORTFOLIO DISTRIBUTION**

The Maricopa County Treasurer's Office invests public monies in accordance with Arizona Statute in five primary areas: 1) Federal (U.S.) Agencies; 2) U.S. Treasuries; 3) Commercial Paper; 4) Investment Grade Corporate Bonds; and 5) Money Market/Mutual Fund Accounts.

Book Value Percentages by Investment Type

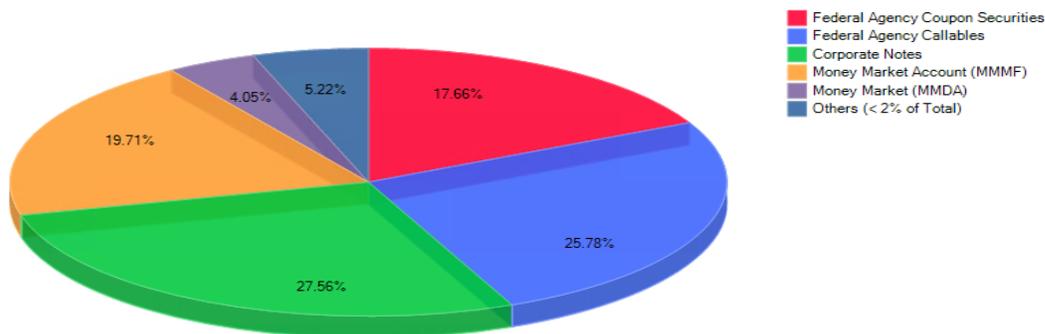


Figure 2.3 **INTEREST EARNINGS DISTRIBUTION**

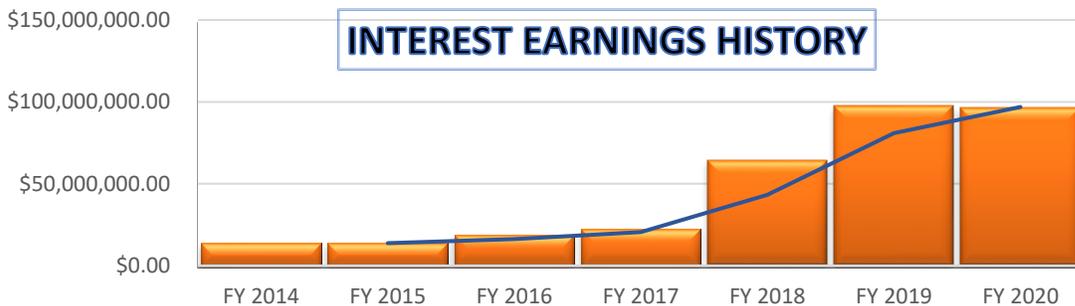
All portfolio interest earnings are distributed among the investment pool participants, which are school districts, county agencies and special districts. School districts’ interest earnings reduce their upcoming budget requirements when property tax rates are calculated. Maricopa Special Health Care District invests monies separate from the pool participants; however, their earnings are reflected as part of the Treasurer’s total portfolio earnings.

	<u>FY2020</u>		<u>FY 2019</u>		<u>FY 2018</u>		<u>FY 2017</u>	
County	31,832,959	36%	31,119,593	34%	15,942,652	38%	8,951,478	40%
Special District	863,433	1%	4,379,820	5%	1,312,930	3%	350,500	2%
<u>Schools</u>	<u>56,267,783</u>	<u>63%</u>	<u>54,930,435</u>	<u>61%</u>	<u>24,840,412</u>	<u>59%</u>	<u>12,883,138</u>	<u>58%</u>
<b>Totals*</b>	<b>88,963,783</b>	<b>100%</b>	<b>90,429,848</b>	<b>100%</b>	<b>\$42,095,995</b>	<b>100%</b>	<b>\$22,185,116</b>	<b>100%</b>

Figure 2.4 **INVESTMENT EARNINGS HISTORY**

The Federal Reserve dropped interest rates by 86% in fiscal year 2020. Despite of the dramatic moves by the Federal Reserve, the Treasurer’s investment earnings dropped only 1.57% from FY 2019 to FY 2020! The Treasurer’s Portfolio’s highest balance was \$6.7 Billion at second-half property tax deadline (May), finishing at \$4.94 Billion on June 30, 2020.

<b>Fiscal Year Ending</b>	<b>Average Return Rate</b>	<b>Interest Earnings \$</b>	<b>June 30<sup>th</sup> Par Balance \$</b>	<b>Average Days to Maturity</b>
2020	1.89%	96,131,733.86	4,937,333,392	313
2019	2.00%	97,660,888.38	4,447,074,000	318
2018	1.77%	64,399,364.00	4,499,882,000	502
2017	0.59%	22,323,140.11	3,474,236,000	457
2016	0.52%	18,660,851.44	3,057,703,000	342
2015	0.44%	14,044,907.01	3,119,595,000	367
2014	0.42%	13,611,995.40	3,011,549,000	374



## Section Three - Receipts & Disbursements

Figure 3.1 **ELDERLY ASSISTANCE FUND DISTRIBUTION**

The Elderly Assistance (EAF) funds are no longer available.

	<u>FY2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
Parcels Benefited by EAF	10,392	10,529	11345	11,430	10,143
Total Monies Distributed	\$607,934	\$2,245,536	\$2,692,417	\$2,812,207	\$2,483,821

Figure 3.2 **BANK LINE OF CREDIT USAGE**

The Maricopa County Treasurer’s Office acts as the bank for schools and many other government entities in Maricopa County. Warrants (government checks) are paid by the Treasurer from cash available for each entity. If cash is not available, then monies are borrowed through approved credit lines. When warrants presented for any school district exceed the approved credit line limit, then warrants are “registered” or returned to the holder to be paid at a later date with interest.

	<u>FY2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>
Outstanding Beginning Balance	\$72,695,000	\$119,684,000	\$118,842,000	\$119,677,000
Borrowings	280,019,000	402,230,000	300,416,000	408,360,000
Payments	<u>-310,547,000</u>	<u>-449,219,000</u>	<u>-299,574,000</u>	<u>-409,195,000</u>
Outstanding Ending Balance	42,167,000	72,695,000	119,684,000	118,842,000
Interest Paid	673,303	994,787	786,068	604,684

Figure 3.3 **DEBT SERVICE PAYMENTS**

Debt consists of voter approved bonds. The amounts presented below do not include refunding bonds that were collected and transferred to the trustees for future payments. The debt service payments made during the 2019 and 2018 fiscal years are as follows:

	<u>FY2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>% Change</u>
Principal Payments	\$458,104,00	\$383,723,000	\$392,054,000	0.98%
Interest Payments	201,468,150	159,095,274	141,112,660	1.13%
Sinking Fund Payments	5,729,152	5,200,189	5,805,852	<0.89>%
Total	\$665,301,302	\$548,018,463	\$538,972,512	1.01%

Figure 3.4 **TAXPAYER INFORMATION FUND**

This Taxpayer Information Fund is comprised of fees and interest earnings (all non-tax dollars) to be used for various out-reach activities that assist the property owners with managing their property tax payments and promote understanding of the Arizona property tax system.

	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
Beginning Balance	\$384,489	\$290,066	\$292,545	\$389,711	\$382,428
Revenue	152,573	183,423	188,446	168,094	243,783
Disbursements	<u>468,900</u>	<u>-89,000</u>	<u>-190,925</u>	<u>-265,260</u>	<u>-236,500</u>
Ending Balance	\$68,162	\$384,489	\$290,066	\$292,545	\$389,711

## Section Four – Taxpayer Services

There are a myriad of taxpayer services. They include responding to taxpayer requests, mailing tax bills, mailing delinquent tax notices, selling delinquent tax liens, foreclosing on delinquent taxes, conducting sales on foreclosed properties, and several other related functions.

The Treasurer’s Office receives nearly 200,000 requests from taxpayers each year. Most are handled by the Call Center, Figure 4.1, 211,842 calls were received in Tax Year 2019, a 9% increase over the previous year. Several thousand require more extensive research by the Treasurer’s Office that average about two hours of staff time each and are shown in Figure 4.2.

Figure 4.1 **STAR CENTER TREASURER’S CALLS**

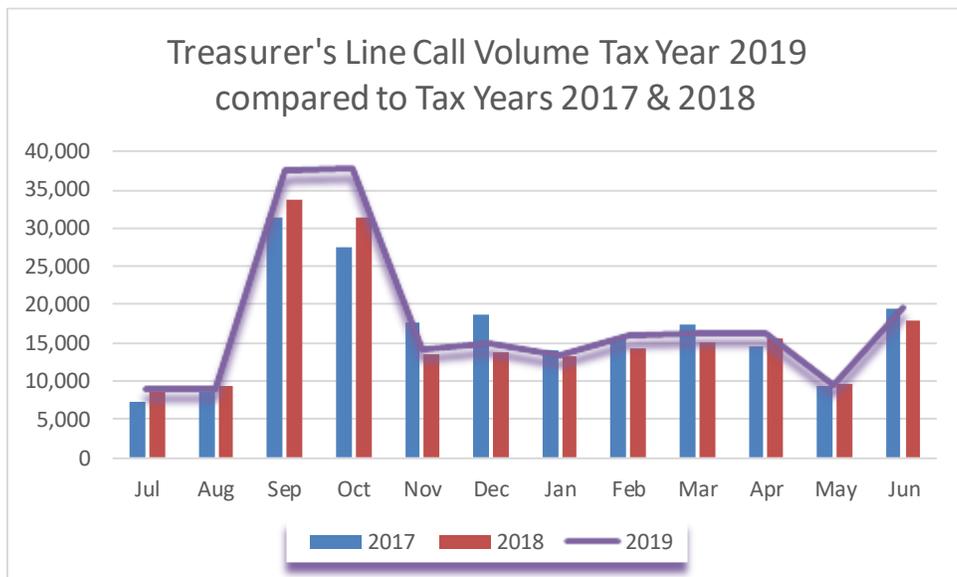


Figure 4.2 **TAXPAYER RESEARCH REQUEST HISTORY**

	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun*</u>	<u>Total</u>
<u>FY 2020</u>	451	531	423	734	641	493	665	507	562	447	659	700	6,813
<u>FY 2019</u>	658	441	994	876	614	579	1074	841	508	376	560	688	8,236
<u>FY 2018</u>	839	853	739	1075	734	638	692	742	961	856	837	753	9,719
<u>FY 2017</u>	461	428	766	834	969	730	770	823	1,030	748	727	991	9,277
<u>FY2016</u>	546	626	656	750	566	817	714	782	814	100	898	999	9,168
<u>FY2015</u>	287	217	455	466	363	321	250	692	711	470	510	938	5,680

\* Delinquent notices are mailed in June

Figure 4.3 **TAXPAYER RESEARCH REQUEST BY SOURCE AND STATUS**

On average it takes approximately two working hours to complete each research request. While many can be resolved by electronic confirmation others are much more time consuming and require ordering records from archives, interacting with external departments, and working directly with the taxpayer.

	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Online	2,833	3,143	3,446	3,152	2,892	1,969	2,021
Walk-In	1,033	2,207	2,479	1,877	2,034	1,327	598
Others	2,340	620	587	793	748	774	1,188
Fax	68	71	187	154	257	326	316
Mail	507	1,123	2,826	3,221	3,127	1,117	455
Phone	21	13	73	71	101	156	164
Assessor	11	6	121	9	10	11	5
<b>Total</b>	<b>6,813</b>	<b>7184</b>	<b>9,719</b>	<b>9,277</b>	<b>9,169</b>	<b>5,680</b>	<b>4,747</b>
Closed	5,553	6,625	8,441	7,007	6,935	5,042	4,471
In Queue	215	213	697	1,141	940	354	120
In Service	1,045	346	581	1,129	1,294	284	156
<b>Total</b>	<b>6,813</b>	<b>7184</b>	<b>9,719</b>	<b>9,277</b>	<b>9,169</b>	<b>5,680</b>	<b>4,747</b>

Figure 4.4 **TAX LIEN SALE HISTORY**

Liens not sold during the auction can be purchased from the County Treasurer. Delinquent property taxes constitute a lien against the property. That lien must be offered for purchase at auction in February each year per Arizona Revised Statute.

<u>Sale Year</u>	<u>Tax Year</u>	<u>Parcels Advertised</u>	<u>Dollar Value</u>	<u>Not Auctioned *</u>	<u>Liens Sold</u>	<u>Dollar Value</u>	<u>Avg Int Rate **</u>	<u>Unsold Liens</u>
2020	2018	17,641	\$42,824,673	6,015	11,189	\$18,614,866	5.33%	6,452
2019	2017	18,988	\$43,155,682	6,546	11,705	\$18,266,885	4.20%	737
2018	2016	20,020	\$37,260,723	7,168	12,145	\$18,335,753	4.20%	707
2017	2015	21,242	\$20,910,106	7,096	12,180	\$20,449,727	5.08%	1,966
2016	2014	18,364	\$17,217,200	6,433	11,431	\$16,997,884	2.43%	500
2015	2013	18,888	\$18,036,059	6,511	11,637	\$17,832,166	3.84%	740
2014	2012	21,342	\$33,970,380	6,206	12,710	\$18,354,687	5.01%	2,426
2013	2011	27,057	\$46,532,327	7,964	16,535	\$31,745,917	7.48%	2,558
2012	2010	34,550	\$86,424,452	8,072	19,949	\$55,659,726	9.93%	6,529
2011	2009	39,037	\$80,478,533	9,429	22,510	\$63,529,394	10.79%	12,543
2010	2008	41,859	\$69,946,978	9,317	25,660	\$57,093,614	8.62%	11,040

\* Parcels may be advertised but not auctioned because of pending litigation such as bankruptcy.

\*\*Average interest rate earned by investors.

\*\*Average interest rate earned by investors.

**Figure 4.5 INVESTOR CERTIFICATE OF PURCHASE FORECLOSURES**

In the 2019 calendar year (not fiscal year) investor foreclosures continued to decline from prior years. The Treasurer’s Office sponsored legislation that will allow for partial payments on delinquent property taxes and separate certificates of purchase. Senate Bill 1135 became effective on January 1, 2016 and has helped to counteract the rising number of investor foreclosures by giving property owners respite from paying all delinquent taxes and penalties at one time.

Calendar Year	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Investor Foreclosures	162	173	238	285	400	363

**Figure 4.6 MAILING ACTIVITY**

Tax bills and information statements for the 2019 tax year (not fiscal year) were mailed in early September 2019. Tax information statements are mailed to property owners who pay their property taxes into an impound account usually as part of their monthly mortgage payment. Tax bills are mailed to those property owners who pay individually and owe more than two dollars. Delinquent Notices were mailed in December of 2019 and June 2020.

Tax Year	Singles	Multiple Bills	Information Statements	Total Mailing	Delinquent Notices
2019	775,334	23,858	755,120	1,55,312	113,921
2018	765,032	16,103	N/A	781,137	98,680
2017	769,705*	28,883**	N/A	798,588	120,312
2016	812,674	24,876	703,708	1,541,258	103,282
2015	730,148	102,744	710,861	1,562,861	133,044
2014	732,301	86,123	698,053	1,516,477	134,402

\* In 2017 there were 51,176 tax bills suppressed from mailing due to eNotices, NCOA, and foreign/bad addresses. This total reflects the number of actual mailed items after the suppressed items were removed. Actual count sent to TMT was 820,881.

\*\*This total is the sum of LEASE and MORTGAGE bill run types.

**Figure 4.7 TREASURER FORECLOSURES AND TAX DEED LAND SALE**

During FY2020 the Treasurer’s Office sold 26 tax parcels over the counter for a total of \$92,465. The Treasurer’s Office foreclosed on 115 parcels and held a tax deed auction in March 2020. The total amount of tax deed parcels sold was 142 (parcels) for a total amount of \$76,952. The total property tax amount abated for these projected parcels is \$1,199,192.

## **Section Five – Information Technology**

The Information Technology Division (IT) provides computer systems support for each of the other divisions within the Treasurer's Office. This includes operational and support services on all computer-based applications and processes utilized by the office. These services also extend to meeting needs of other county departments including Finance, Maricopa County School Superintendent, Independent School districts, special districts, other taxing jurisdictions, and the general public. A few highlights of Information Technology Division accomplishments for FY2020 are:

1. **System Replacement Project (ULTIS)** – The effort of replacing and updating the Treasurer's computer systems was started in FY2014 and reached a major milestone in FY2016 when the Maricopa County Board of Supervisors awarded Thomson Reuters with a county contract (14001-RFP). Phase I was successfully released March 1, 2018, followed by significant planned deliveries through 2019 while continuing to provide day-to-day production support for the Treasurer's new accounting/banking and investment functions. The day-to-day IT support includes supporting Agency Websites, the Treasurer's warrant management, general ledger, banking, disbursement, and investment management needs.

During fiscal year 2020, significant progress has been made on the eGov 27 website services definition and development. This includes obtaining input from external partners such as mortgage companies, lease companies, title companies, etc. to ensure the services and features being built will provide improve services and efficiencies. Website demonstrations were held with our Property Tax and Corporate Services subject matter experts to ensure the features being delivered meet business expectations. Electronic Document Management was released and is being utilized by our cashiers. The collection, inventory, and assessment of Tax Services, Client Services and Administrative Services documents have been completed. The data warehouse interface with the Assessor's Office has been released into production and the interface with the legacy Property Tax system is currently in test.

In addition, the project team completed development of the Treasurer's Office business process flows, current state and future state, development of all use cases, input and output inventory, document inventory and a complete reassessment and clarification of the requirements for Tax Services and Client Services. The completion of these significant deliverables positioned the UTLIS project team for the Property Tax, Financial Services, Corporate Services and Cashiering requirement reconciliation working sessions with Aumentum Technologies (formerly a division of Thomson Reuters). The requirements reconciliation working sessions were completed, providing Aumentum Technologies with the details required to confirm their level of effort for ULTIS Phase II Property Tax and finalization of a proposed project timeline. In June 2020, Aumentum Technologies submitted a change request for additional cost, but without a firm or committed timeline. The Treasurer rejected the change request. Focus for FY21 will be the resolution of the Property Tax timeline and cost, as well as the continued progress on eGov, data warehouse development and electronic document management (OnBase) for Tax Services and Client Services.

2. **Treasurer Web Application On-Line Payment Project Phase II** – Was released in December 2019 and provided completely new functionality for the payment of tax lien redemptions and the utilization of existing impounds along with the online payments towards tax and redemption payments. This new functionality complimented the June 2019 Phase I release, providing new functionality for our taxpayers with a variety of payment options. This functionality included on-line shopping cart functionality, the ability to make partial payments, back tax payments, providing multiple payment options (first half, full, minimum and other), detailed receipts and supporting automated emails. In fiscal year 2020, there were 184,074 payments made through these new on-line services, totaling \$479,556,369.49.

3. **Additional System Enhancements** – Automation of Accounting month-end and year-end reporting services was successfully released, and the kick-off of the Accrual Allocation process occurred. Several of the system enhancements centered on the modernization of our infrastructure. In June 2020, the legacy Property Tax System servers and supporting system software were successfully migrated to newer, supported servers. This migration provides a solid, supported environment for the legacy system to run on until the ULTIS Project Phase II is released into production. Additional migrations include over 130 server migrations, migration to Windows 10, and the rollout of updated laptops, desktops and supporting peripherals all in alignment with the Office of Enterprise Technologies. When COVID19 impacted the county, IT promptly imaged, configured and deployed laptops to Treasurer’s Office staff who were approved to telework. The IT Division also continued to have staff on-site to support Treasurer’s Office which remained open to serve our tax payers and customers. To further strengthen IT internal operational activities and processes, this year we successfully rolled out Microsoft DevOps practices, implemented an enhanced change request process for applications, established continuous integration and delivery automation through the rollout of CI/CD pipelines for eGov and Treasurer’s Office website.
4. **Technical Action Requests** – One of the services of the Treasurer’s Information Systems division is to respond to and address service requests as provided by Treasurer’s employees and both internal and external Treasurer customers. Even with the ongoing ULTIS and other IT projects described above, the Treasurer’s IT staff maintained a high level of service to both internal and external customers by satisfying requests for assistance throughout the year. During FY2020, IT Operations and Applications Development completed over 2,200 service requests.

## **Section Six - Personnel**

As one of the fastest growing counties in the nation, the Maricopa County Treasurer’s Office (MCTO) is committed to maintaining a focus on our critical mission of serving Maricopa County taxpayers by adopting policies to guide this office in providing ***better, faster and more cost effective*** ways of serving the taxpayers. We are dedicated to working to guide good tax policies for Maricopa taxpayers by working with the Arizona State Legislature and the Maricopa County Board of Supervisors.

The Treasurer’s Office, in spite of tremendous growth, has provide excellent services to taxpayers, with only 61 FTE’s (full time employees) while improving services to the taxpayers of Maricopa County. The Maricopa County Treasurer’s Office is the fourth largest county Treasurer’s Office in the nation. This office handles more than \$12 Billion dollars a year, with over 1,700 taxing jurisdictions and serves over 1.7 Million parcels owned.

As we experience the loss of decades of talented employees, we work to recruit the best and brightest and focus on cross training our employees so there is never a gap in service. The Treasurer’s Office continues to upgrade positions with degreed professionals to offset the loss of key employees.

## Section Seven - Budget

The Treasurer's Office budget is almost entirely funded out of the general fund with the exception of the Taxpayer Information Fund. The budget below represents the Treasurer's Office operating general fund appropriation and actual expenditures for FY2019 and revised 2020.

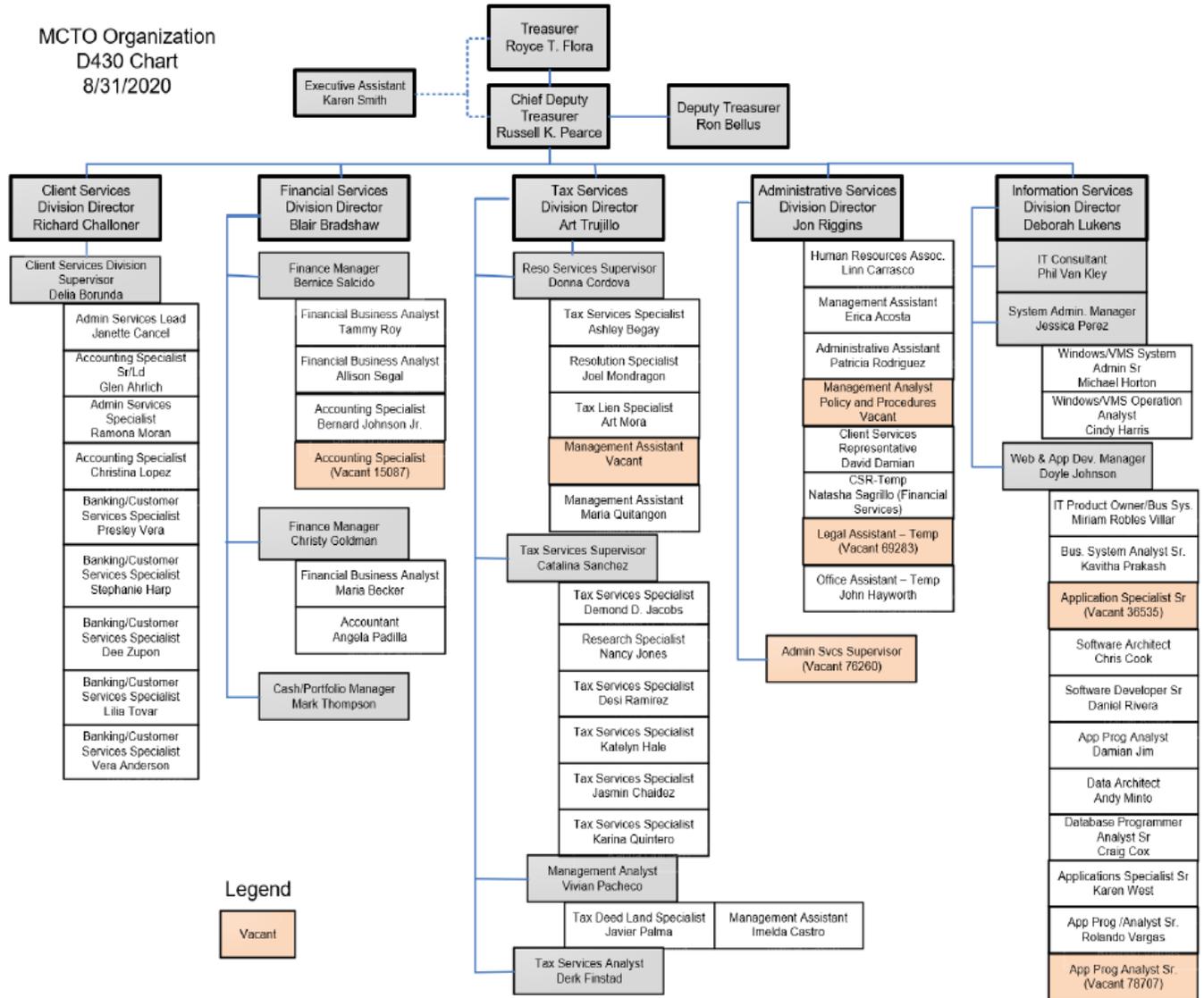
GENERAL FUND EXPENDITURES	2019 Revised Budget	2019 Actual Expenses	Variance	2020 Revised Budget
Regular Pay	\$3,975,361	\$3,950,534	\$24,827	\$4,370,420
Temp Pay	70,843	31,202	\$39,641	77,776
Overtime	852	713.4	\$139	1092
Fringe Benefits	1,507,064	1,494,051	\$13,013	1,661,577
Personal Services Allocation Out	-601,946	-551,666	(\$50,280)	-1,050,012
Personal Services Allocation In	0	0	\$0	316,561
Total Personal Services	\$4,952,174	\$4,924,834	\$27,340	\$5,377,414
General Supplies	30,005	42,598	(\$12,593)	27,282
Technology Supplies	0	153222.71	(\$153,223)	300
Fuel	264	653.57	(\$390)	0
Other Services	10,386	39,629	(\$29,243)	5,394
Repairs and Maintenance	381,826	197,408	\$184,418	558,420
Internal Service Charges	169,256	175,065	(\$5,809)	105,826
Travel	3,528	1,395	\$2,133	1,956
Education and Training	12,351	387	\$11,964	39,612
Miscellaneous	120	607	(\$487)	3,132
Postage/Shipping	570,096	478,982	\$91,114	572,292
Other Operating Expenditures	\$1,177,832	\$1,089,947	\$87,885	\$1,314,214
Capital Outlay	\$0	\$0	\$0	\$453,508
TOTAL OPERATING EXPENDITURES	\$6,130,006	\$6,014,781	\$115,225	\$7,145,136

### Budget History:

Fiscal Year	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Operating Budget (MM)	\$6.13	\$6.24	\$6.20	\$5.90	\$5.00	\$4.70

# Section Eight-Organization Chart

MCTO Organization  
D430 Chart  
8/31/2020



**Legend**  
   Vacant

## **Section Nine – MCTO Project ULTIS**

In today's environment there is a dependency on technology to successfully and promptly conduct business. The Treasurer's system manages over \$12 Billion annually and serves numerous stakeholders consisting of taxpayers, county departments, and non-county entities all of which have high service delivery expectations. Their expectations are governed by about 400 mandates in Arizona laws covering the Treasurer's responsibilities of tax administration, banking, investment management, and accounting. The technology in these service areas continues to change at a rapid pace, and the Treasurer's system must keep pace to assure sufficient capacity to sustain, evolve, and improve service delivery. More importantly, the technology must function according to the law and ensure reliability and security.

Many of the core computer software applications have been in operation for over 30 years and are based on outdated technology. Through the years the system has been modified and extended to the point that today it is a complex compilation of multiple technologies. Though the current system is relatively stable and dependable at the present time, its age and older technologies present ever-increasing difficulties to maintain, update, and adapt to the evolving needs and requirements.

To address this concern, the Treasurer's Office published a Request for Proposal (Serial 14001-RFP) in September 2014 to acquire the necessary hardware, software and services to replace the existing computer systems and applications. The Treasurer's system replacement initiative is based on business value, service, and a focus on improvement with extensive technology to guide decisions and operation support. Results are aimed at satisfying customer expectations and aligning more closely with county-established technology best practices and industry standards.

In May 2016 the Maricopa County Board of Supervisors awarded a county contract to Thomson Reuters as the prime contractor to deliver a fully integrated solution to meet the needs of the Treasurer's Office and its stakeholders. The solution will fully integrate three commercial off-the-shelf products. These products are Thomson Reuter's Aumentum Tax, Microsoft's Dynamics AX, and Emphasys' SymPro. The result will be a cohesive, efficient, and feature-rich system that takes full advantage of the latest advancements in technology to meet current and future demands.

In June 2016 the Treasurer's Office officially launched the effort to replace the legacy Treasurer's Information System and has been full steam ahead ever since.

On February 28, 2018, an early go-live was achieved for the Accounting (Microsoft Dynamics AX) and Investment (Emphasys SymPro) systems. This first project phase was a result from the solid progress made on the project and the business value of utilizing functionality as soon as possible. This early go-live was accompanied at the same time by the production go-live of the Treasurer's new Agency Web application which works together with the Dynamics/SymPro system and extends the functionality outward to the many external agencies that utilize these accounting services.

In June 2019 the Maricopa County Board of Supervisors approved a scope increase for ULTIS Phase II. The ULTIS Phase II focus is to replace the Legacy Property Tax, Corporate Services and Cashiering systems. The scope increase brought in additional functionality required to support the new Property Tax System, Aumentum. The approved scope increase consists of a Document Management System, multiple system interfaces, websites, business reporting, and a data warehouse that will support those Interfaces, reports and websites. To accommodate the scope increase, the project timeline was extended and funded with Board of Supervisor approval.

Since that time the ULTIS project team has continued working on Phase II, completing creation of the business process flows for the current state and future state, assessment of all reports, documents, interfaces and data migration activities. In addition, the ULTIS project team initiated their work on the new eGov website, services and features, the new data warehouse and the migration to an electronic document management system, OnBase.

In fiscal year 2020, the ULTIS project team made significant progress on developing the 27 eGov website services and went live with the Treasurer's Office cashier's utilization of OnBase in the course of their day to day work. The new data warehouse is now interfacing with the Assessor's Office in production, as well as with our legacy Property Tax System and other interface points. But there is more data warehouse functionality to build and progress continues. Data migration activities completed, and data translation activities continue. A key accomplishment this year was the completion of the Property Tax and Client Services requirement reconciliation with Aumentum Technologies (formerly a division of Thomson Reuter's sold to Harris Computing in December 2019). The requirement reconciliation effort included over 448 original Property Tax requirements, 98 new additional requirements, 163 technical requirements that were aligned with over 107 business process flows and use cases, over 27 eGovernment Services to be provided by the website,

Multiple workshops were held with Treasurer's Office and Aumentum Technologies subject matter experts, walking each requirement and use case through the current Aumentum Property Tax system to confirm how each requirement could be satisfied. Aumentum Technologies presented the requirement reconciliation assessment results to the Treasurer's Office on March 31, 2020, followed by a change request submission in June. The Treasurer's Office rejected the Aumentum Technologies change request due to a lack of a committed delivery date and increased costs.

For fiscal year 2021, the ULTIS Project focus will be resolution of the Property Tax solution, continued development of eGov website services and features, phasing in Property Tax and Client Services OnBase utilization in their day to day operations, and further data warehouse development.

## **Acknowledgement**

**Treasurer Royce T. Flora gratefully acknowledges the skilled and dedicated efforts of the employees and managerial staff at the  
Maricopa County Treasurer's Office.**